

**PRESS RELEASE**  
**OJK PUSHES LOCAL ECONOMIC DEVELOPMENT**  
**OJK Chairman Inaugurates Region 2 Office Building in West Java**

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Bandung, Friday, March 10, 2017 — Financial Services Authority (OJK) Chairman Muliaman D Hadad has been moving forward with OJK programs and policies towards local economic development, including reinforcing the presence and roles of the Authority's offices in various regions.

“Now we are supported by 9 regional offices that oversee 26 OJK provincial and district offices across Indonesia, including those in the West Java Province. Our offices in this region will spearhead the implementation of OJK's duties and functions of supervising and promoting local financial services industry and our strategic programs that aim to support local economic development,” Muliaman said.

He gave the explanation in his remarks at the inauguration of OJK Region 2 Office Building in West Java, on Friday. The office is located at Jalan Djuanda No. 152 Bandung. Together with West Java Governor Ahmad Heryawan, Muliaman inaugurated the office; the event was attended by top brass from many central and local government agencies and institutions.

Muliaman described that besides supervising the local financial services industry, every OJK local office should also prioritize and increase its contribution to promoting local economic growth, such as developing MSME sector and other local, potential sectors like agriculture, maritime and fishery, tourism, and creative economy.

“Since the beginning, the OJK has introduced many policies targeted at reinforcing the financial services sector's role as growth catalyst. But at the same time, we never shift our focus from maintaining financial system stability and strengthening financial inclusion,” Muliaman said.

He stated that OJK Region 2 Office in West Java has highly strategic roles, not only in relation to its duty concerning financial system stability but also in regard to local economic development and public welfare improvement, since the West Java Province has the highest number of population in Indonesia.

“We should keep optimizing strategic programs that have enabled the public to access the financial industry, such as *Laku Pandai* (branchless banking program), *Jaring* (a program targeted to the marine and fisheries sector), *Simpel* (Student Savings Accounts), distribution of people's business loans (KUR) and bank loans, as well as financing for productive sectors, and also the roles of regional development banks. In the same way, we should foster new initiatives like Fintech financing models (peer-to-peer lending), capital-market financing for SMEs, and financial inclusion support programs,” Muliaman said.

In the field of financial services industry supervision, OJK West Java Office oversees local banking, capital market, and non-bank financial institution sectors. In West Java, there are seven commercial banks whose head offices are located in Bandung, 240 rural banks that

are scattered across the province, 30 issuers and 32 securities companies, and non-bank financial institutions that decided to set up their headquarters there. The non-bank institutions include 22 pension funds, 3 joint venture companies, 2 financing companies, 1 (credit) guarantee company and 14 microfinance institutions.

Data from the OJK showed that the West Java banking industry had been thriving in the last three years, which was evident from average annual growth in assets, third-party funds and distributed loans that reached 12.47 percent, 12.26 percent and 11.44 percent, respectively.

The end of 2016's fourth quarter recorded higher distribution of total people's business loans (KUR)—that amounted to IDR 11.72 trillion—by Mandiri Bank, BNI, BRI, Sinarmas Bank, and Maybank Indonesia.

Most of the loans (KUR), which worth IDR 8.76 trillion (74.75 percent), were channeled in a micro scale. The remaining KUR were distributed to retail and migrant worker sectors; each received IDR 2.93 trillion (24.99 percent) and IDR 30 billion (0.26 percent), respectively. The trading sector became the largest recipient, having received KUR worth IDR 7.96 trillion that equaled to 68 percent of the total KUR distributed.

Besides carrying out supervision, OJK Region 2 Office in West Java has also made a lot of efforts concerning consumer education and protection and partnered with the West Java Provincial Government towards higher financial inclusion; the province is represented by its Regional Financial Access Acceleration Team (TPAKD).

So far, the West Java Province TPAKD has implemented several working programs that among others, encourage banks to provide financing for coffee farmers in Garut and Puntang (Bandung District), increase distribution of KUR to migrant workers from Indramayu District, raise financial literacy and inclusion in Garut, and gives wider access to financing for startups in Bandung.

Moreover, OJK Region 2 Office in West Java has established the West Java Investment Alert Task Force, which is assigned to identify companies indicated of committing illegal investment activities in some West Java areas and raise public awareness about safe investing.

The office's head, Sarwono, expects support and active participation from local governments in West Java, including the provincial, district and city ones, and all related parties, to help the OJK bring about a sound and flourishing financial services sector in the province.

“We hope our office's active participation can support the local government in their efforts to raise public welfare. We also expect players of West Java's financial services industry to give more contribution and show better performance, while maintaining strong liquidity and capital at the same time,” Sarwono said.

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